

To: Payroll Clerks
FROM: MPERA Fiscal Services
DATE: July 22, 2008
RE: Clarification for Reporting All Employees

Section 19-2-506(3) MCA, requires employers to report all employees to MPERA regardless of retirement system membership. We have previously provided information and requirements for reporting all employees. As the project has been implemented, we have found the need to further clarify specific requirements for filing accurate payroll reports.

A “non-contributing employee” is an employee who is not a member of a retirement system administered by MPERA. Non-contributing employees will generally fall into one of the categories listed below. Depending on the retirement system involved, each category has specific statutes and sub-categories that apply.

1. **Working Retiree: PERS**, (§ 19-3-1106, MCA), **SRS**, (§ 19-7-1101, MCA), **and FURS**, (§ 19-13-301(8), MCA), have working retiree limitations. When reporting a working retiree, use your appropriate employer code for their retirement system. (i.e. CI, SR, PG, FG, etc.)
2. **Optional members:** Optional members are employees who by statute may either elect or decline membership. Optional membership is applicable to **PERS**, (§ 19-3-412, MCA), and **FURS**, (§ 19-13-301(3), MCA). When reporting optional members, use your appropriate employer code for that retirement system. (i.e. SD, CI, CO, OA, FG, etc.)
 - o Employees eligible for optional membership have 180 days to make an election. If an election has not been made within 180 days of initial employment, the employee waives membership.
3. **Excluded employees:** Employees excluded from membership are applicable to **PERS** only, (§ 19-3-403, MCA). Employees in more than one position may be both optional and excluded. You must report these employees as non-contributing in the correct category for each position. Report excluded employees using your appropriate employer code.

Refer to statute for specific definitions or contact MPERA for more information.

Required information for non-contributing employees includes: social security number, name, earnings, hours, hourly rate, part time/full time and hire date. You must report actual hours worked or if necessary, documented hours as agreed upon between the employee and employer. Do not report addresses for non-contributing employees.

For more information, contact Shelly at (406) 444-5458 or toll free 1-877-275-7372 ext 5458.